

400 Washington Avenue, Room 221  
Towson, Maryland 21204



Office (410) 887-3193  
Fax (410) 887-4621

## **OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM**

TO: All Council Members  
FROM: Lauren M. Smelkinson, County Auditor  
DATE: September 9, 2013  
SUBJECT: Addendum to Council Meeting Notes

---

Please find attached an addendum (FM-7) to the Council Meeting Notes issued September 5, 2013.

This item will be discussed at the September 10, 2013 work session for the September 16, 2013 Council meeting.

Attachment

cc: notes distribution list

**FM-7 (Agreement)****Council District(s) 4****Department of Public Works****Relocation of Gas Lines – Owings Mills Boulevard**

The Administration is requesting approval of a reimbursement agreement with Columbia Gas Transmission, LLC to provide for the relocation of two 20-inch natural gas pipelines for the Owings Mills Boulevard South Phase II project. The agreement commences upon Council approval and continues until the completion of the project. The agreement specifies that the County will reimburse Columbia Gas Transmission for the actual cost of relocating the pipelines. The estimated cost of the relocation totals \$2,026,400. Columbia Gas Transmission anticipates that the relocation work will occur either between March 2014 and June 2014 or between September 2014 and November 2014.

**Fiscal Summary**

<b>Funding Source</b>	<b>Estimated Compensation</b>	<b>Notes</b>
<b>County</b> <sup>(1)</sup>	\$ 2,026,400	<sup>(1)</sup> Capital Projects Fund.
<b>State</b>	--	<sup>(2)</sup> Estimated cost of the relocation work.
<b>Federal</b>	--	
<b>Other</b>	--	
<b>Total</b>	<u>\$ 2,026,400</u> <sup>(2)</sup>	

**Analysis**

The County is constructing an extension of Owings Mills Boulevard, from Lyons Mill Road to Liberty Road. The project is being constructed in two sections – Phase I (Lyons Mill Road to Winands Road) and Phase II (Winands Road to Liberty Road). Phase I was completed in August 2012 and Phase II construction is expected to commence in October 2013 and be completed in October 2015.

As part of Phase II, Owings Mills Boulevard must cross two pipelines owned by Columbia Gas Transmission. The Department advised that Columbia Gas Transmission must relocate portions of its pipelines, including the removal of approximately 1,060 feet of existing pipeline and the installation of approximately 1,330 feet of new pipeline, so that the road extension will cross the pipelines at an approximate 90 degree angle, as required by Columbia Gas Transmission's guidelines. Columbia Gas Transmission will be responsible for the design costs associated with the relocation, as well as the security, safety, and maintenance of its staging area and any activities that must occur outside of the limits of the County's project. The County will be responsible for the actual construction costs associated with the relocation, which are estimated to total \$2,026,400.

The agreement commences upon Council approval and continues until completion of the project. The agreement states that the County will pay Columbia Gas Transmission the estimated construction costs (\$2,026,400) up front. If Columbia Gas Transmission incurs construction costs in excess of the estimated amount, it will send an invoice to the County within 120 days and the agreement will be amended. The agreement further states that should construction costs exceed the estimated amount by more than 20%, the increase will be subject to the County's appropriation process. If Columbia Gas Transmission incurs construction costs less than the estimated amount, it will reimburse the County the difference between the estimated and actual costs within 120 days of construction completion.

The agreement states that the County shall provide a new easement for the relocated pipeline through separate agreement(s) and/or deed(s), as required by the Department of Permits, Approvals and Inspections. Columbia Gas Transmission anticipates that the relocation work will occur either between March 2014 and June 2014 or between September 2014 and November 2014. The agreement states that if Columbia Gas Transmission fails to complete the relocation work prior to the spring of 2015, it will allow the County to complete Phase II over the existing pipelines.

The Department advised that project costs for Phase I totaled \$14.0 million, including \$9.3 million for construction, and estimates that project costs for Phase II will total \$16.9 million (\$11.9 million for construction; \$3.1 million for the Columbia Gas pipeline relocation, other utility relocations, and SHA inspection fees; \$1.3 million for engineering; and \$0.6 million for property acquisition).

The contractor was selected on a sole-source basis since it is the owner of the pipeline.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”